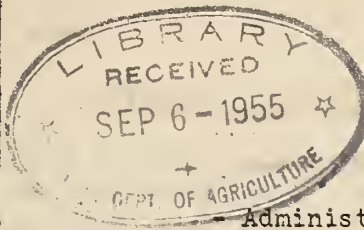


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RSPD *igest*

WESTERN REGION



July 31, 1945

No. 7....

Administrative Use ONLY

THE STATE OF THE NATION'S FOOD SUPPLY

1389.8
R11

You may have noticed in recent weeks that the "abundant foods" list is growing smaller and smaller. Also, that the new purchase programs which have been developed to take care of surpluses have not had to be used -- even on peaches. In fact, no price support purchases are being made currently. Relatively small purchases of cabbage in the Northeast were expected, but the market has strengthened and this has not been necessary. Shipping restrictions on Kern County potatoes were removed this week -- which means that WFO-120 at present does not apply in any producing area. It was thought earlier this year that support purchases might have to be made in Kern County, but the potatoes are moving to market at ceiling prices and no price support purchases have been made. As for peaches, with the record Georgia crop being absorbed by the market at or near ceiling prices, the South Carolina crop now can move with less competition.

And by the way, Secretary Anderson thinks the word "surplus" should be pensioned off for the duration.

POINTS ON POINTS

Inasmuch as butter production this year probably will be the lowest on record and civilian supplies of all food fats and oils in 1945, on a per capita basis, the smallest in more than 20 years -- the recent substantial cut in butter point values may seem a little inconsistent.

Exaggeration

The explanation most frequently given is that butter was piling up and spoiling because the 24-point price scared away the customers. Actual investigation, however, does not substantiate this claim -- at least so far as spoilage is concerned. And the "stockpiles," too, have been exaggerated -- 60 million pounds (plus 70 million pounds held by Government agencies) is not an exorbitant amount to be stored for civilian use on July 1. The pre-war 5-year average on July 1 was 101,281,000 pounds.

Slow movement

However, there is evidence that at 24 points butter wasn't moving out as fast as was contemplated. During the first 6 months of 1945, butter was allocated to civilians at the rate of about 80 million pounds a month, but in recent months, actual consumption averaged between 70 and 75 million pounds. The difference between consumption and the allocation moved into storage. This does not mean, however, that everyone was getting all the butter he wanted at 24 points and here's why:

On some foods, there's a seasonal markup which makes it pay for a handler to store that commodity during the peak production season for later use, but on butter that isn't true. Handlers who store butter, to quote The Dairy Record, are "forced to assume storage costs for which they will not be reimbursed." Thus, there was considerable urgency on the part of those handlers who were storing butter to get the points reduced.

Small Profit in Wholesale Transfers

If you've been following the reports on butter movement, some of the foregoing may sound contrary to fact. It's perfectly true, that "there were no open market offerings at the wholesale level here (Chicago) or in any other major market last week". (Quoted from issue of the Dairy Record of July 11). And the Department of Labor points out that 9 percent of the independent retail stores in this country still were without any butter in Mid-June. The explanation of the contradiction lies in this fact: One wholesaler may have a plethora of butter, and another a very meager quantity. And the first wholesaler won't sell it to the second one because it isn't very profitable -- he's allowed a mark-up of only $\frac{1}{2}$ cent per pound on such a transaction. If he sells to jobbers, stores, restaurants, etc., on the other hand, he's allowed a mark-up of 2 cents. Therefore, each wholesaler will try to move as much butter as he can himself, rather than sell it to another wholesaler.

Other Factors

Other factors also entered into the decision to lower the points. For instance, military purchases are being reduced seasonally and Lend-Lease shipments may be only half as large this year as they were in 1944. Then, too, experience under the set-aside revealed that the trade tended to fall short of meeting their set-aside requirements in the spring and would make it up in the fall. Therefore, despite the attempts to even out consumption over the year, civilians got more than they were supposed to in the early months of the year, and less than they were supposed to in recent months. In recognition of this fact, the WFA this year deliberately established a higher-than-usual set-aside in the early months, to be compensated by lower than usual quotas after July 1. But their good intentions and scientific planning got crossed up. Because of the high point values, the trade has been very scrupulous about fulfilling its set-aside obligations this year on time, in fact, there were some over-credits. So when the Supply Estimates committee started figuring out how much butter was available for allocation to civilians, they found they had a lot more than they'd figured on earlier in the year. The August allocation, therefore, was set at 93 million pounds (in contrast to 80 million in previous months), and if the 16-point value is low enough to draw some butter out of storage, the total quantity available for civilians may amount to 100 million pounds during August. Compared with 75 million pounds actually consumed in May and June, this is a 25 percent increase. Whether the 16 points will prove too low and will create distribution problems remains to be seen.

Production going up

There's one more factor which should be mentioned. For the first time in something like 3 years, butter production is showing an upward trend compared with the same week a year earlier. Three weeks ago, the U. S. as a whole showed a 2 percent gain; the next week, a 3 percent gain; last week a 6 percent gain. Particularly significant is the fact that the Big Three among butter-producing states -- Iowa, Minnesota and Wisconsin -- last week showed gains of 14 percent, 13 percent and 13 percent, respectively, over their production during the corresponding week in 1944.

LABOR NEWS

The Office of Labor has sent us the following information which may be helpful to you in answering queries on the recruitment of prisoners of war and foreign workers.

POW Recruitment

The recruitment of PW's is handled exclusively by the War Manpower Commission. Employers who desire to hire prisoners of war should communicate with the nearest office of the USES. In certain instances, the recruitment of prisoners of war has been expedited by direct contact with the Commanding Officer of the appropriate Service Command in which the establishment is located.

Conditions of Hiring POW

Generally, prisoners of war are made available in groups of 250. Their employment is conditional upon WMC certification as to the necessity of such labor. Sanitation and housing requirements for employers hiring PW's are determined by the provisions of the Geneva Convention and are enforced by the WMC.

Demand for POW

The War Manpower Commission reported on July 13 that State Extension Service Directors have forwarded requests for 160,000 PW's to be employed in Agriculture. Requests for PW's in non-agricultural employment total in excess of 85,000. The total number of prisoners available for all contract employment, however, is only 140,000. This problem is complicated by the overlapping demands of agriculture and food processing, particularly during the August-September period, and by transportation shortages.

POW Program

The program of work currently laid out for prisoners of war from August through December includes from 75,000 to 100,000 PW's to be employed in agriculture, the peak to be reached in October and the first 2 weeks of November; and from 30,000 to 58,000 to be employed in non-agricultural work, the peak to be reached in August. Sick and wounded prisoners, and officers and non-commissioned officers who, under the terms of the Geneva Convention, need not work, will be repatriated as soon as possible. PW camps are to be closed down gradually, beginning in October, and present plans are to remove the entire prisoner-of-war labor force from the United States by March 1, 1946, at the latest. However, the War Department plans to hold in this country prisoners of war who can work until the end of the 1945 agricultural season for employment on farms and in industry, unless the labor market permits their return to Europe at an earlier date. At the same time, the WMC suggests that employers of PW's begin to plan now for the recruitment of other types of labor.

WORLD SUGAR SUPPLY

Soon to be released: A statement which will provide a rather extensive view of the world-sugar situation. Meanwhile a preview of the statement:

Sugar stocks as of January 1, 1945 (in thousands of short tons, raw value) -- United States, 1,276; Cuba, (exportable) 800; Puerto Rico, 130, Hawaii, negligible; Latin American countries in general, with exception of Peru, not important exporters. Peruvian stocks, negligible. United Kingdom keeps data relative to sugar stocks "confidential" but it can be said they are neither large nor disproportionate. With reference to the rest of the European countries, the tremendous war devastation and general confusion have made it impossible to secure reasonably accurate sugar stocks figures. However, investigation has shown that sugar stocks in all European countries are close to a practical zero level. Bulk of European population gets little sugar.

Distribution. U. S. getting about 75 percent of its sugar from Hawaii, Puerto Rico and Cuba at present. Normally Philippines have been important off-shore source. United Kingdom and Canada at present depend on sugar from home beet sugar crops, BWI, Dominican Republic, and Haiti, plus supplemental supplies from Australia, South Africa and other sources. Normally Java, now Jap controlled, contributes at least 1-1/4 million tons to world supply. Many European nations not normally self-sufficient as to sugar supply. Same holds true of U. S., U. K., and Canada.

Civilian Rations in U. S. may be down from 100 pounds per capita pre-war level, to 73 pounds for 1945, but consumption in most European countries, other than U. K., substantially smaller on a pre-war basis. Greater majority of Europeans at present have less than 20 pounds of sugar per capita per year.

Relief and Rehabilitation this year will take about one million tons of sugar--through Combined Food Board allocations--for use in countries which in peacetime relied heavily upon the Caribbean as a source of supply. All comes from the "international sugar pool."

Production. As a practical matter, there are relatively few places where production can be increased and in those places, production cannot be swiftly increased...it's a matter of manpower, field conditions, machinery, animal population, transportation, fuel, and sugar-refining facilities.

Allocations for civilians during 1945 are broken down to include: household, 1,200,000 tons; homecanning, 600,000 tons; institutions, 430,000 tons; industrial, 2,400,000 tons; other civilian distribution, 470,000 tons. No sugar produced in the continental U. S. is being exported save for the direct use of the U. S. Armed Forces. None is exported for relief feeding or other purposes.

Shipping to transport sugar at the present time is no particular problem.

HOW THAT DOLLAR IS SPENT

A study of how the taxpayer's dollar has been spent for war preparation and the conduct of the war from July 1940 to March 1945 has been made by WPB's statisticians. The dollar divides up as follows: The War Department spends 53 cents out of each dollar and the Navy another 20 cents, or a total of 82 cents by the two services. The division of the remaining 18 cents is of especial interest, WPB said.

Of this sum, eight cents was spent from specific lend lease appropriations, five cents for the United States Maritime Commission and War Shipping Administration, and three cents for the Reconstruction Finance Corporation and its affiliates. Only two cents out of each wartime tax dollar was spent for war activities of the other Government agencies, which include the Department of Agriculture, Federal Security Agency, Federal Works Agency, National Housing Agency, Department of the Treasury, Aid to China, payments for United Nations Relief and Rehabilitation Administration, Department of Commerce, Department of Justice, Office of War Mobilization and Reconversion, Panama Canal, Smaller War Plants Corporation, Executive Office of the President (which includes WPB) and miscellaneous other Government agencies engaged in war activities.

Foreign Workers

Employers desiring to recruit foreign workers likewise must apply to the local USES office. However, as Congress has appropriated approximately only one quarter of last year's funds for the WMC foreign labor program, no additional foreign workers will be available during the next 12 months and food processors will be able to get additional foreign labor only through WMC removal of foreign workers from other industries and transferral to food industries.

Currently, there are about 15,750 foreign workers in this country, of whom nearly 3,000 are employed in food industries.

WAGE INCREASES

Office of Labor also reports that it has and can continue to render assistance to food processors who desire to enlarge their labor supply by an increase in wage rates, and who have made application for approval of a wage increase before the WLB. The OL notes:

(1) That wage rates of food industries have been stabilized at a level which is lower than that prevailing in war production.

(2) That in every labor market area, the WLB has established "sound and tested rates by industry and occupation. Generally, the WLB does not permit any increase above these "sound and tested rates". However, early in 1944 an inter-agency agreement was concluded between the procurement agencies (including WFA) under which it was provided that if the procurement agency and the WMC agreed that the operations of a specific plant involved the critical needs of war production, such plant could obtain approval of an increase in wage rates above those prevailing in the area. This agreement still is in effect. Food processors who have filed an application for permitting wage increases before the WLB and had it denied may write the facts of the case to the Office of Labor. The Department will then determine whether it can intervene in their behalf in order that essential food production may be assured.

(3) In many instances, food processors have applied for wage increases which normally would be approved since they do not violate the "Little Steel Formula" or other wage rate regulations, but due to the volume of applications, consideration of some may be delayed. If requested to do so by a processor, and the facts in the case warrant intervention, the Office of Labor will try to obtain early consideration of his application.

FOOD TODAY - (Secretary Anderson in a broadcast Monday evening, July 16, said in part:) - When I became Secretary of Agriculture two weeks ago I called for a complete reexamination of our food outlook. And now I can tell you frankly what the picture is and what we can expect in the months to come. It will be better for all of us to know now and in the future the real facts about the food situation as rapidly as they come to light.

I can report to you that we are taking positive steps to deal with the problem of food shortages. Our first objective is to increase production to the limit of our ability in order to meet the needs that confront us as a nation. This goal, however, cannot be reached overnight. It takes time and the blessing of good weather to produce more food. And with confidence among our farmers and a determination to back them up, we can have more food in this country.

While laying the groundwork for increased production, we are not overlooking any opportunities for bringing immediate relief from shortages. We are taking action to improve the distribution of food. Our aim is to choke off the black market which is draining our food supplies away from legitimate trade channels.

We have embarked on a rigid policy of close and constant scrutiny of military and foreign demands for food. I am insisting that all requests be made on a realistic basis with due recognition for the needs of our own civilians and the availability of food supplies from all sources. As the first result of this policy, we have pared down government purchases of butter and meat. Steps are also being taken to improve the civilian poultry supply situation by changes in government buying practices. In addition, we have put into operation a plan to make more effective use of packing house facilities and to provide greater flexibility in the distribution of meat to ease regional shortages.

Stacked up against this crop production pattern for 1945, is the definite prospect of continuing high demands for food for use at home and shipment abroad. We know in general how much food our armed forces will need. We know also pretty well what our allies and the liberated areas will want within the next year. The now impoverished people of Europe who gave up their substance and lives to help defeat the Nazis must not be forgotten. They need all the help we can give them to get back on their feet. The role that food can play in building a lasting peace cannot be ignored...

The weather during the first two weeks of July has not been corn weather. It has been too cold. The temperature has averaged nearly six degrees below normal through the corn belt. As a result, corn has not been growing as it should for this time of the year.

We must begin to replace a portion of the corn ration with wheat, which is more abundant. I have already reached the conclusion that no corn can be spared for whiskey or other alcoholic beverages until we are sure that all our food needs can be fully met....

For the months ahead meats, fats and oils, sugar, condensed and evaporated milk, and canned fruits and vegetables will continue in short supply. In addition, rice and dry bean supplies will get shorter. While the fruit crop, as a whole, will be good this year, apples will be much scarcer than last year. Transportation difficulties may make it impossible to move to consumers all of our fruit and fresh vegetables. One bright spot is in our milk supply. It is good and civilians will have a billion pounds more milk than last year. Except for wheat, potatoes, and most fresh vegetables, the 1945 crops will not be adequate for all of the demands that are being put upon the food production of this country. On the whole this is not an optimistic picture and yet it is not much different from what the people of this country have been experiencing during recent months....

First, we will have abundant production as our goal at home with the farm prices that are necessary to obtain record crops. Then we shall reach out into the far corners of the earth for every available source of additional food. I believe our government can be a lot more aggressive in getting from abroad certain of the food and feed items which are critically short here at home. If we tell foreign countries now, particularly So. American countries, what we want, they can plan to fill in our gaps. Everything we can do to get European agriculture back on its feet should be done to reduce demands on us. A few tons of seed, fertilizer, and equipment now may do more good than a shipload of food later on. We can drive harder to get Phillippine sugar and oils back into the picture... This will require the highest degree of cooperation among government agencies...

1945 INDICATED CROP ACREAGES AND SOWS FARROWED, WITH GOAL COMPARISONS - BAE

The following tables contain the second comprehensive comparison, by States and for the United States, of indicated 1945 crop acreages with historical acreage estimates and 1945 goals. The first report was prepared in March. This report was developed cooperatively by the Bureau of Agricultural Economics and the Agricultural Adjustment Agency. The indicated 1945 acreages and numbers of sows for farrowing are based primarily on the Crop Production report issued by the Bureau of Agricultural Economics on July 10 and the Pig Crop report issued June 22. All other data, except goals, are also from reports of the Bureau of Agricultural Economics.

UNITED STATES COMPARISONS

CROP	PLANTED ACREAGE					
	Average:	1944	1945	Indicated	1945 Ind.	as % of
	1934-43:	Goal	Goal	July 1, 1945:	Goal	1944
	T h o u s a n d s			P e r c e n t		
Corn, all	94,972	98,722	99,098	94,154	95	95
Wheat, all	66,154	65,684	67,731	68,808	102	105
Winter	46,757	46,349	--	49,589	--	107
Spring, all	19,397	19,335	--	19,219	--	99
Oats	40,961	42,983	44,259	45,911	104	107
Barley	14,711	14,300	13,911	11,922	86	83
Rye	3,379	2,254	2,515	2,096	83	93
Flaxseed	2,915	3,052	5,000	4,149	83	136
Rice	1,120	1,482	1,405	1,511	108	102
Sorghums, all	16,435	18,212	--	16,218	--	89
Sorghums, all(excl.sirup)	16,210	18,017	17,155	16,048	94	89
Potatoes	3,130	3,010	3,137	2,918	93	97
Sweetpotatoes	801	777	841	719	86	93
Tobacco	1,506	1,746	1,803	1,822	101	104
Flue-cured	868	1,014	1,042	1,056	101	104
Burley	361	500	503	530	105	106
Other domestic	277	232	258	236	91	102
Dry beans	2,068	2,228	2,277	1,976	87	89
Dry peas	375	727	457	533	117	73
Soybeans, grown alone	9,120	13,564	--	13,283	--	98
Soybeans for beans	4,812	10,502	10,757	10,392	97	99
Peanuts, grown alone	2,740	3,994	3,955	3,953	100	99
Peanuts, picked & threshed	2,080	3,150	3,230	4/3,154	98	100
Tempe hay, all	57,556	59,547	62,862	59,459	95	100
Sugar beets for sugar	884	635	951	780	82	123
Sugarcane for sugar & seed	288	296	337	303	90	102
Cotton	26,359	20,354	20,472	18,355	90	90
Total above crops	332,392	343,158	350,670	338,884	97	99
	T h o u s a n d h e a d			P e r c e n t		
Sows farrowed, spring	7,865	9,187	9,569	8,204	86	89
Sows farrowed, fall	4,914	4,941	5,837	5,548	95	112

ITEM

We understand that Sec. Anderson's reorganization committee, composed of Milton S. Eisenhower, Chairman; W. A. Minor, Vice Chairman; H. B. Foyd; Charles F. Brannan; Wilson Cowen; E. W. Gaumnitz; W. A. Jump; Ashley Sellers, Gerald K. Thorne; and Jesse Tapp, has its report done and that it will break in the near future. No dope available on what cooks, however. The secret is well kept.

FAT SALVAGE

Conservation Steps Taken to Avoid Soap Rationing

In announcing Amendment 6 to WFO 42B, Secretary Anderson made a strong plea for housewives not to hoard soap, and definitely announced "If we were to have soap rationing, it would be necessary for me as Secretary of Agriculture to authorize it, and I do not plan to issue such authorization."

The amendment requires manufacturers to increase their use of water softening "Builder" materials in heavy duty laundry^{type} soap, thus reducing the anhydrous soap content (derived from fats and oils) of laundry type soaps by about 10%. The new formulas will make just as good a soap, and permit the available supply of fats and oils to go further. Means an additional 100,000 pounds of this type soap available in the next 12 months. The quota of fat assigned to soap manufacture for civilians this year is more than the quantity of fat consumed in the manufacture of soap for civilians in this country before the outbreak of the war in Europe. This re-emphasizes the vital need for fat salvage. The amendment is made effective August 7 so that manufacturers will have sufficient time to file the necessary applications with OPA under Section 16 of MPR-391, for a change in their individual soap formulas without affecting present ceiling prices. Inquiries on the order should be directed to the Order Administrator, Fats and Oils Branch, USDA, Washington 25, D. C.

EARLY FARM CENSUS RETURNS

Land in farms in the United States in 1944 appears to have reached the greatest total acreage in the Nation's history in face of a decrease in the total number of farms, according to a preliminary tabulation of the 1945 Census of Agriculture returns for 1,000 of the country's 3,097 counties.

For the 1,000 counties enumerated, the Bureau of the Census, U. S. Department of Commerce, announces the following details:

1. A decline in the total number of farms by 2.5 per cent, from 1,823,016 in 1940 to 1,777,446.
2. An increase in farm acreage of 7.1 per cent, from 315,577,091 acres in 1940 to 337,859,536 acres.
3. An increase in average size of farms by 9.8 per cent, from 173.1 acres in 1940 to 190.1 acres.

LIQUID, FROZEN AND DRIED EGG PRODUCTION

Egg breaking plants during June continued to operate at much lower levels than a year ago. The production of liquid egg totaled 75,525,000 lbs. compared with 201,148,000 lbs. in June last year. Dried egg production was far below last year. Since May 4th no dried eggs have been purchased by USDA and no contracts were let by the USDA for deliveries after June. Since there is little need for frozen egg for later drying, the production of frozen egg during June was considerably less than the output during June last year.

STOCKS OF EVAPORATED AND CONDENSED MILK

Stocks of canned evaporated milk held by wholesale grocers on June 30, 1945, were practically unchanged from those of a year earlier, reports the BAE. Stocks of canned condensed milk (sweetened), however were considerably less. Corresponding with a seasonal increase in production, stocks of canned evaporated milk held by wholesale grocers showed an increase of 45% from March 31 to June 30 this year. In contrast, stocks of canned condensed milk during the same period showed a decrease of 19%.

FOOD ORDERS

Meat

Effective July 29, set-aside of army style beef reduced from 25 percent to 20 percent of totals produced by all federally inspected slaughterers. Set aside for utility and canner and cutter grades are reduced from 65 to 55 percent.

Effective July 22 set asides for pork reduced over-all from 26 to 21% live weight. Percentages of the various cuts changed as follows: Shoulders - from 10 to 7%; Hams - from 6 to 5%; Bellies from 4½ to 3½%; Loins - from 5½ to 5%. Some changes made also in requirements as to preparation of smoked meats to meet changing army needs.

Civilian supplies of lamb in some areas will be slightly larger because of the termination of WFO 75.5, under which federally-inspected slaughterers were required to set-aside 10% of the three top grades of lamb, on July 22. Originally the order, which became effective April 29, 1945, required slaughterers to set-aside 25% of their production of the three top grades of lamb (carcasses weighing 30 to 70 lbs., dressed). This percentage was decreased by subsequent amendments. Termination of the order is possible because adequate supplies of lamb and mutton can now be obtained by Governmental agencies through open market purchasing.

Shipments of Lambs to Some Oregon Counties Banned by WFO 140

To aid in the marketing and distribution of lambs produced in certain sections of Oregon, shipments of lambs into these areas from the outside, except to Federally inspected slaughterers, has been prohibited by War Food Order 140, effective July 23, 1945.

The areas affected by the order include the Oregon counties of Hood River, Clackamas, Marion, Linn, Lane, Douglas, Jackson, and the remainder of the State lying west of these counties.

SLAUGHTER CERTIFICATION ORDER EFFECTIVE JULY 16

Secretary Anderson signed WFO 139 making effective at 12:01 a.m., July 16 the provisions he announced July 9 (see Digest 7/5) under which non-federally inspected slaughterers may be certified as provided in the recent amendment (Patman) to the Stabilization Act of 1942. The amendment to the Act provides for release of non-Federally inspected plants, which are certified by the Secretary, from killing quotas or other slaughter limitations. However, quotas assigned to individual plants by OPA will remain in effect until the plants qualify and have been certified.

Slaughter Certification Order Effective July 16

Violators of sanitary or inspection requirements under the order are subject to immediate suspension, although a hearing will be granted within ten days following such action to determine whether suspension is to be vacated or made permanent. Suspension for violation of the sanitary or inspection regulations does not mean that the violator is prevented from doing business on his original basis. Slaughterers are advised by the USDA to familiarize themselves with the provisions of the order before making application for certification. Applications, should be filed with the Livestock and Meats, Branch, Office of Marketing Services, USDA, Washington 25, D. C.

Pork Set-Aside Percentage Changed to Aid Distribution

Changes in pork set-aside regulations designed to produce more equitable distribution of pork products from Federally-inspected establishments were included in an amendment to War Food Order 75.5, effective July 29. This action supplements a reduction in overall pork set-aside percentages which became effective July 22.

The amendment increases the proportion of excess slaughter which is taken under the set aside if slaughterers killed in excess of their production during the base period (August 1944) and decreases the set aside if slaughterers killed less than during the base period.

Lard

Effective July 29 through Amendment 19 to 75.5, lard set aside becomes 4 instead of the 5% now in effect. This means an increase of 10 million pounds over the 50 million which would otherwise have been available for civilian distribution in August. Reduction is effective for all federally inspected slaughterers in all states, except, of course, those which have previously been exempted from the order - in the west, California, Oregon, Washington and Utah.

Cheddar Cheese

Set-aside quotas for Cheddar cheese will be 60% of August production and 50% of September production as compared with the 65% set-aside for July. These reductions in Government set-aside requirements are in accordance with the established policy of making adjustments on a basis of monthly changes in production, so as to provide relatively constant supplies each month for civilian use. For August and September supplies available for civilians are expected to amount to about 36 million pounds each month. This is about the same quantity which has been available during recent months. The August and September set-aside quotas are the same as for these months last year. Since production has been heavier, civilian supplies of Cheddar cheese are expected to be somewhat greater than for August and September last year.

Spray-Dried Milk

Set-aside quotas for spray-process nonfat dry milk solids will be 70% of August production and 60% of September production. The set-aside for Government purchase in July is 75% of the production. The reduced August and September set-asides carry out USDA policy to adjust quotas on a basis of monthly changes in production, so as to provide fairly even monthly supplies for civilian use. According to present estimates, nearly ten million pounds of spray powder will be available for civilians in both August and September. This is about the same
(MORE)

quantity that has been available each month recently. The August and September set-aside quota last year was 60% of production for both months. Because production for these two months this year is expected to be considerably greater, civilian supplies will be at least as great as for August and September last year

Imports

The USDA has made a number of changes in food import regulations under WFO No. 63 to bring them in line with developments in the world food supply situation resulting from the termination of the war in Europe... To aid in channeling such foods directly to consuming countries thus relieving the drain on this country's supplies, the USDA has continued previous controls on food imports, and has extended controls to a few additional food items.

The list of foods under import control has been revised to include: Tuna fish in oil or in oil and other substances; fish paste and fish sauce; crabmeat, including crab sauce and crab paste, canned; oysters, canned; razor clams, canned; clams (except razor clams) and clams in combination with other substances (except clam chowder), canned; lobsters (including spiny lobsters and crawfish), canned; lobster paste and sauce; castor beans, and castor oil.

To assure delivery of controlled foods to the countries to which allocation has been recommended, the USDA has amended the import order to provide control over the importation of restricted foods which are purchased prior to the granting of an import authorization.

Cherries

Effective June 19, War Food Order 133, requiring processors to set aside for government purchase their entire 1945 pack of hot packed and frozen cherries. In addition, WFO 133 restricts commercial processing of red sour cherries to hot packing and freezing and limits the amount a processor may freeze.

Hake, Pollock and Cusk

The 100 percent set-aside restriction on canned fish flakes produced from hake, pollock and cusk has been removed through Amendment 11 to War Food Order 44, effective July 27, 1945

Sugar

Secretary Anderson said that civilian distribution of sugar, particularly in Eastern Areas where shortages are most acute, should be improved through a redistribution of 40,000 tons obtained through a reduction in military procurement. The action, taken through issuance of an amendment of WFO 131.1 which controls the flow of sugar from refineries, does not increase the total amount of sugar allocated for civilian uses, but is designed to assure more even distribution of available supplies. The amendment provides for the redistribution of the 40,000 tons of sugar during the period July through September. This sugar will be processed by Atlantic and Gulf coast refiners and will go to sections of the country where supplies have been shortest in recent weeks.

Grain for Alcohol

An order prohibiting the use of corn and limiting the use of other grains in the manufacture of alcohol was issued by the USDA in a move to conserve grain supplies needed for food and feed. The action, taken through issuance of WFO No. 141, effective 12:01 a.m. August 1, 1945, limits the use of grain, other than corn but including malt, for the production of beverage alcohol to not more than 2,500,000 bu. for the month of August. Under the order, registered distilleries may produce spirits for beverage purposes from grains other than corn from Aug. 1 through Aug. 6. Industrial alcohol plants with Federal Alcohol Administration Act permits may produce spirits for beverage purposes from grains other than corn from Aug. 1 through Aug. 3.

Authorization for the use during August of limited quantities of grain other than corn was made to maintain sufficient distillery capacity in a standby condition to meet potential requirements of the government's industrial alcohol program. Incorporated in WFO 141 are provisions of WFO 132 and WFO 138.

Rice Set-Aside

Reduction from 100 percent to 55 percent in set aside requirements of rice in Southern States and California expected effective August 1. May provide moderate increase in supplies to civilians almost immediately. The amendment to WFO 10, also will change definition of miller from one who mills more than 500 barrels of rough rice a month, to one who mills 250 barrels. (This announced July 31)

Changes in WFO 125

Soon to suspend until October 1, canning operations for Government, under WFO 125. Should permit Nations' canning facilities to be used until October 1 for preparation of canned chicken and canned chicken products for civilian use. (This announced July 31)

Amendment for WFO 66

Plans to restrict the use of malt in beverage liquor production underway. Will be restricted to amount not exceeding amount used for this purpose in pre-war period. Base period will be fiscal year ending June 30, 1941.

Action to follow WPB announcement that future requirements for alcohol in production of explosives, synthetic rubber and other war necessities will be sharply reduced. Result will release substantial amount of distilling capacity of country to production of distilled spirits for beverage use.

PRICE SUPPORT

Just to refresh your memories the two main Price Support groups are:

Basic

Corn, cotton, wheat, rice, tobacco and peanuts (for nuts)

Steagall

Hogs, eggs, chickens (excluding less 3 lbs. live weight and all broilers) turkeys, milk, butterfat, dry peas, dry edible beans, soy beans for oil, peanuts for oil, flaxseed for oil, American - Egyptian cotton, Irish potatoes, sweet potatoes (cured).

Lamb Price Support

Action designed to increase lamb and mutton supply by helping producers meet increased costs through CCC payments to Growers and feeders. Payments effective on sheep and lambs marketed on or after August 5 and through June 30, 1946.

CCC payments to those selling lambs and sheep to legally authorized slaughterers for slaughter will range from \$1.50 to \$2.50 CWT., for 65 to 90 pound lambs; \$2.15 to \$3.15 for lambs over 90 pounds. Payments will be \$1.00 per CWT for all other sheep and lambs.

RFC subsidy of 95 cents for CWT now paid for all sheep and lambs slaughter in authorized plants will be withdrawn as to any slaughter performed on and after August 5.

Programs seeks (1) to encourage raising and feeding of lambs to heavier weights; (2) more normal seasonal distribution in marketing lambs; (3) to divert more market lambs into legitimate slaughter channels; (4) to help producers meet increased costs without increasing consumer prices on lamb and mutton. Payments will be made through AAA county offices.

Average Grower Prices for California Pears for Canning and Freezing

The U. S. Department of Agriculture and Office of Price Administration today announced jointly an average grower price of \$73 per ton for California pears for processing which will be used by OPA in the construction of processors' ceiling prices for the 1945 packs of canned and frozen pears.

Cherries

Increases in the average grower prices in certain states (in the west Wyoming, Washington and some Idaho counties - Cootenai, Bonner and Boundary) were announced July 17 by OPA and USDA, to be used in construction of processor ceilings for 1945 pack civilian sales. Original prices were announced June 26. Increase amounts to 2 cents per pound or a revised price of 10 $\frac{1}{2}$ cents per pound (Wyoming) and increase of $\frac{1}{2}$ cent per pound for Idaho, making the new price 8 $\frac{1}{2}$ ¢ per pound.

Subsidies

Passed by both houses of Congress and now awaiting action by President Truman, S.1270, providing for transfer of RFC subsidy payment programs for meat, flour and butter to CCC in order that "the subsidies, instead of being paid to the processor, shall be true production subsidies, and shall be paid to the producer." Lamb subsidy is first program to be announced under this bill.

Lamb Purchase Program On Ice

You boys in the northwest may remember that we tipped you off in advance a couple weeks ago about the proposed Lamb Purchase Docket - and asked you to hold up the release of this information. The docket was signed, all right, and is ready for use, if needed, but OPA action, detailed elsewhere in this issue, makes public announcement unnecessary.

OPA Actions

Lamb

Lamb of commercial, utility and cull grades will be point-free in western parts of Oregon from July 23 through September 1,

This emergency action was taken to prevent the loss of meat which might result if the "soft" lamb crop in the Willamette Valley of Oregon were not slaughtered and consumed rapidly. It was agreed upon after joint discussions between the Department of Agriculture and the OPA.

Vegetables

Retail price control on fresh cucumbers, sweet peppers and eggplant will be suspended during the months when volume production of these vegetables normally keeps prices below retail ceiling levels, the Office of Price Administration said today.

This action, effective July 23, 1945, is in line with recent removal of price control on these items at other levels.

At the same time, marine suppliers' mark-ups on the three fresh vegetables were suspended.

Apples

The ceiling price of fresh apples during the period beginning July 21 and ending August 19 will continue to be \$3.45 a bushel, f.o.b. shipping point, in the west.

The \$3.45 ceiling price that applies to the rest of the country includes a "disaster" allowance of 30 cents effective as of June 21. That increase resulted in the retail ceiling price of fresh apples being increased about a fourth of a cent a pound.

Use by Industrial Users of Lard, Shortening and Edible Oils

Bakers and other industrial users of lard, shortening and edible oils cannot obtain a "base" figured on the amount of these foods used during any period when the items were temporarily point free or removed from rationing.

Before this action, effective July 20, 1945, an industrial user who had a base period use of lard for making a particular product such as pastry, and who used shortening during the point-free period for the same product, could increase his base to the extent that he used shortening, thereby gaining an unwarranted advantage.

Additional Provisions Covering Issuance of Special Food Rations for Medical Reasons

Additional provisions covering the issuance of extra food rations for medical reasons were announced by OPA.

The new provisions will allow OPA regional and district offices, on the advice of regional or district medical committees, to delegate authority to local boards to issue rations for illnesses that formerly required special handling and individual review by medical committees.

The new plan also permits local boards to accept certifications for illness rations signed by any licensed practitioner authorized by the laws of the state in which he practices to diagnose and treat the illness for which certification is made.

Slaughterers May Adjust Their Distribution of Meat Temporarily

A measure permitting slaughterers to adjust their distribution of meat temporarily so that more may be shipped into areas that have sharp seasonal influxes of population was announced by OPA.

The maximum amount of meat that a slaughterer may ship into an area during a temporary three-month period under today's amendment will be limited to the same percentage of his total supply that he shipped into the area during the corresponding period in 1944. For example, if during July, August and September of 1944 he shipped into an area 50 per cent more meat than he shipped to the same area in the base period, he may ship during the same months this year 50 per cent more than the quantity he would ship into that area if he followed his base period distribution pattern.

Class 1 and 2A slaughterers must submit a statement to the OPA Washington office and Class 2B slaughterers to the district office with which they are registered under Control Order 1, at least five days before the beginning of the temporary period during which they wish to increase shipments of meat into the areas. If the temporary period includes most of the month of July, 1945, however, the statement must be submitted not later than July 26, 1945.

FROM THE WEEKLY REPORTS

Western Washington

7/23 - 28 - SCHOOL LUNCH recap in...more interest this year than last...wants more dough allocated to carry over approved contract or advise sponsor that funds may run out before school ends...also note accompanying contract stating possibility of change in payment method and administration if pending legislation passed.

FOOD PRESERVATION - Little interest in community canning on part of public. Immigrant workers don't want to load up stuff may have to cart back to Oklahoma and prefer war work to cannery...also got dough to buy what they want...Flynn sold school districts on placing orders for canned goods result that at least one state cannery at Kent expects capacity operation with overflow going to other state plant at Kirkland.

INDUSTRIAL FEEDING - point troubles have workers complaining of diet of asparagus on toast, macaroni and cheese without the cheese. Associated Shipyard workers asked Flynn what happened to \$37,500 made available six months ago for constructing in-plant feeding facility. All but Boeing having trouble with threats about having to close. None closed yet.

A AWARDS - Five star and two A nominations in...as season processors would be nice if awards could be granted during the season.

FAT SALVAGE - drop in collections and revelation that Washington third from bottom in region led to needling of WPB and entry of Flynn more actively into program (whew!)

RED SOUR CHEERIES - Alleged no information of June 19 WFO 133 set aside...but many calls received from growers whose product was refused by canners due to worms and referred to AAA for release to wineries...reported some freezers packing cherries in syrup, worms and all, and selling to wineries with or without release.

EGGS - new racket reported...ask retailer for eggs...he asks are you on their list to get on list costs \$5 in filing fees...seems to be working well, says Flynn...supply situation bad in state...normally exports, now small importing...Army taking 30% of state production which is off currently about 12 percent...also need supply Alaska and some Hawaii...leaves dangerously few for state residents.

NEVADA

7/23 - 28 - "Activities during the past week were mostly confined to studying the School Lunch Program, making plans for renewal of the Agreement with the State Agency for school lunch, and making further contacts with the distributing trade regarding the Food Distribution Advisory Committee.

" A meeting of the Washoe County War Board was attended, at which the business exclusively concerned recommendations for the deferment of farm workers. Attempts were made to contact the State Director of the Extension Service, the Triple A Chairman and the Publicity Director of the Extension Service. All of these persons were out of town on vacation or for other reasons. These contacts will be made as soon as the officials return."

WYOMING

7/23 - 28 - SCHOOL LUNCH - meeting with state heads resulted in same type operation except for curtailed assistance on part of cooperating agencies in supervising and promoting the program due to lack of funds...absence of paid USDA executive secretary on nutrition committee will allay confusion...a few Dixonian words on regional Administrative review personnel...wants more or less permanent person attached to staff to get to know people and problems often unique...adequate reimbursement requires \$150,000.

DIRECT DISTRIBUTION - reiterates limits of state outlets...reiterates Cheyenne almost as close to Washington, D. C. as San Francisco...reiterates separate consideration from California...hopes to finally work out with state board of charities acceptance of commodities and re-distribution to both institutions and school lunch programs and canning centers in institutions...claims not expert in establishing such program would like regional assistance...unhappy over contradictory advises to establish outlets and discouragement of not receiving commodity allocations.

CIVILIAN FOOD SUPPLIES - OPA effectively upping slaughter quotas along Union Pacific line where supplies short...butter point decrease reduced complaints from small manufacturers...but prior to that trip to Denver necessary to arrange assembling of small Wyoming butter lots by Denver dairy company...now needs travel authority for trip.

REPORTS AND SPECIAL PROGRAMS - largest time consuming element is actual reading and screening of information received from this division...releases made on soap, fat salvage, home canning and complete mailing on canning posters...25,000 people daily heard fat salvage announcements over Cheyenne rodeo loud speaker...! Extension continues to plug fat over Wyoming's four stations.

APUC-WMC - necessary attend all day meeting with only one thing relating to food industry, an increase in ceiling for Holly Sugar...generally meetings of no particular value to food industry in the state.

USDA WAR BOARD - working production goals for wheat and barley...just another day taken up with a meeting.

MONTANA

7/23 - 28 - "Activities during the past week have been routine and there is little of note to report."

"GENERAL CROP REPORT"

"The hot, dry weather continued the past week and is causing some damage to crops in the Glasgow area. Winter wheat in almost all parts of the state is looking very good and is about ready to harvest."

"Hail storms in Eastern Montana have done considerable damage to crops, with damage from 50% to 100% in some small areas."

"Beet crops are making fair progress with little insect damage as yet. The hot weather is driving the grasshoppers from the rangeland into the fields. As yet damage from this source is not noticeable, but hoppers are showing up in increased numbers in spite of grasshopper poison being scattered by farmers."

"FAT SALVAGE PROGRAM"

"Final reports covering Fat Salvage for the month of June just received indicate a decided drop the past few weeks. It is hoped that prospective publicity in the form of booklets and staffers may increase the fats recovered."

ARIZONA

7/23 - 28 -

"CROPS AND CONSUMER SUPPLIES"

"The car shortage for shipping melons mentioned in last week's report has been somewhat alleviated due to the drop in cantaloupe shipments, as the season is nearing its end. The honeydew melon season is at its peak, but little difficulty is being experienced in obtaining transportation."

"While eggs have hit the highest midsummer level in price in twenty-five years, there appears to be no serious shortage. Some stores are out of stock in the late afternoons, but a little shopping usually uncovers a dozen or two."

"Milk is on the short side with the majority of stores limiting customers to one or two quarts a day. Many stores are out of supply by early afternoon."

"Tomatoes, beets, apricots and apples are grown in quantity in Yavapai county, but the cold and wind at blooming time have proved a serious set-back to quantity production. Beet leafhoppers were numerous in the spring, bringing serious blight to the tomato plants."

"There is a definite shortage of ice cream in the Phoenix area due to an approximate 100 percent increase in population, and we are receiving requests for increases in quotas. We are explaining to the applicants the national milk shortage and the necessity of siphoning as much available butterfat as possible into the manufacture of butter. This explanation is, in most cases, well accepted.

"REPORTS AND SPECIAL PROGRAMS DIVISION"

"While the acting state director has not had sufficient time to acquaint himself fully with the various newspaper representatives throughout the state, it appears that the press and radio stations are giving us excellent cooperation in the dissemination of information originating in Washington, D. C. and in releases coming from the state office.

"This report is extremely sketchy, but it must be realized that the acting state director has been in Arizona a short time and has spent much of that time in becoming familiar with the Arizona office organization. A broader picture of agricultural activities will be obtained in the near future."

EASTERN WASHINGTON

7/23 -28 - LIVESTOCK - slow market but grass fed due soon... slaughter labor short despite anticipated wage raise and high priority... Mexican negotiation unable to be completed... discharged veterans looking around not over anxious to go to work yet... labor need greatest in large plants... smaller plants have enough help need increased quotas... OPA claims many not up to quota now due to lack low cattle... grass fed run should alleviate that.

MEXICAN NATIONALS - camp food subject complaints... as well as those operating under grower committees... run out of points... Food Advisory committee resolved butter and meat should be made available from set-aside stocks... also hope get same point basis as loggers, miners.

DAIRY & POULTRY - hot weather causing early molt less eggs... demand away ahead supply.

ICE - tight situation at retail due to manpower problems in production despite priority... seems adequate ice for car icing and industrial use.

SPUDS - earlies out of Yakima being orderly marketed but Moses Lake area in difficulty due to 50 percent acreage increase without considering a corresponding increase in facilities to handle... labor short as labor not historically attracted to this area... secured 350 Mexican nationals but insufficient... can squeeze through by extending harvest.

That's all received up to Tuesday noon.

Solid Stuff

The third report by the Director of War mobilization and reconversion, titled - "The Road to Tokyo and Beyond" sent you this week, is a veritable mine of solid information about the state of the nation, our war effort, and includes a good section on food. Make use of it.

FLASH!

LATEST INFORMATION ON THE PROS-
PECTIVE NEW POULTRY FREEZE ORDER
IS THAT, AS FAR WE KNOW NOW, IT
WILL NOT APPLY TO ANY STATE IN
THE WESTERN REGION.

LISTEN IN

Consumer Time (9:15 PWT, Saturday morning, August 4, over NBC) will deal with the achievements of the Western Regional Research Laboratory at Albany, California. The labs job is to find new ways of using western agricultural products, and new and better methods for processing them. Listen in -- and contact your local NBC outlet, make sure they're carrying the show - if they aren't, see if you can't persuade them to transcribe it and release it later.

SOMETHING YOU DIDN'T EAT

16 mm. versions of this film will be available about October 1, from State University film libraries, or through the Extension Service. This is an OMS deal.

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J. Arthur Garthburg, a vaudeville actor, was the first man to eat a banana under water.

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